

SENATE BILL REPORT

SB 5345

As Amended by House, April 10, 2021

Title: An act relating to establishing a statewide industrial waste coordination program.

Brief Description: Establishing a statewide industrial waste coordination program.

Sponsors: Senators Brown, Rolfes, Das, Hasegawa, Lovelett, Mullet, Nguyen, Randall and Rivers.

Brief History:

Committee Activity: Environment, Energy & Technology: 2/03/21, 2/09/21 [DP-WM].
Ways & Means: 2/16/21, 2/18/21 [DP].

Floor Activity: Passed Senate: 2/26/21, 47-0.
Passed House: 4/10/21, 95-2.

Brief Summary of Bill

- Establishes an industrial waste coordination program to provide expertise, technical assistance, and best practices to support local industrial symbiosis projects.
- Establishes a competitive industrial symbiosis grant program to provide grants for the research, development, and deployment of local waste coordination projects.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Carlyle, Chair; Lovelett, Vice Chair; Ericksen, Ranking Member; Brown, Das, Fortunato, Hobbs, Liias, Nguyen, Sheldon, Short, Stanford and Wellman.

Staff: Gregory Vogel (786-7413)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Schoesler, Assistant Ranking Member, Capital; Braun, Carlyle, Conway, Darneille, Dhingra, Gildon, Hasegawa, Hunt, Keiser, Liias, Mullet, Muzzall, Pedersen, Rivers, Van De Wege, Wagoner, Warnick and Wellman.

Staff: Trevor Press (786-7446)

Background: Industrial symbiosis is the use by one company or sector of waste resources broadly defined—including waste, by-products, residues, energy, water, logistics, capacity, expertise, equipment and materials—from another. Examples of industrial symbiosis include Kalundborg, Denmark's eco-industrial park, a National Industrial Symbiosis Program (NISP) pilot project in the Vancouver and Edmonton areas in Canada, the original NISP in the United Kingdom, and various adaptations of the NISP model deployed in more than 30 countries globally.

In the 2019-21 biennial operating budget, the Department of Commerce (commerce) was directed to produce a proposal and recommendations for setting up an industrial waste coordination program by December 1, 2019. The report presents six key recommendations for a proposed Washington program:

- invest in facilitated industrial symbiosis;
- invest in industrial symbiosis research, development, and deployment;
- develop a supportive policy framework;
- continue to support clean energy;
- maximize industrial symbiosis opportunities involving utilities and infrastructure; and
- coordinate and strategically manage materials flow data.

Summary of Bill: An industrial waste coordination program is established to provide expertise, technical assistance, and best practices to support local industrial symbiosis projects. The program is to be administered regionally by commerce, with each region providing a dedicated facilitator, and technical and administrative support. The program must facilitate waste exchange by:

- developing inventories of industrial waste innovation currently in operation;
- generating a material flow data collection system to capture and manage data on resource availability and potential synergies;
- establishing guidance and best practices for emerging local industrial resource hubs;
- identifying access to capital in order to fund projects, including federal, state, local, and private funding;
- developing economic and environmental performance metrics to measure the results of industrial or commercial hubs;

- hosting workshops and connecting regional businesses, governments, utilities, and research institutions to identify opportunities for resource collaboration;
- assisting entities throughout the entire life cycle of industrial symbiosis projects, from identification of opportunities to full project implementation; and
- developing economic cluster initiatives in order to spur growth and innovation.

No entity is required to disclose material flow data. In generating the material flow data collection system, commerce may only use publicly available data or data voluntarily provided by program participants. Commerce must keep any proprietary business information confidential and such information is exempt from public disclosure.

Subject to appropriation, a competitive industrial symbiosis grant program is established to provide grants for the research, development, and deployment of local waste coordination projects. Grants may go towards several project types, including:

- existing industrial symbiosis efforts by public or private sector organizations;
- emerging industrial symbiosis opportunities involving public or private sector organizations, including projects arising from:
 1. the industrial waste coordination program;
 2. conceptual work completed by public utilities to redirect their wastes to productive use; or
 3. existing inventories or project concepts involving specific biobased wastes converted to renewable natural gas;
- research on product development using a specific waste flow;
- feasibility studies to evaluate potential biobased resources; and
- feasibility studies for publicly owned utilities to evaluate business models to transform to multiutility operations or for the evaluation of potential symbiosis connections with other regional businesses.

Commerce must develop a method and criteria for allocating grants, subject to the following:

- project allocation should reflect geographic diversity, with grants being distributed equally in western and eastern parts of the state, urban and rural areas, and small towns and large cities;
- project allocation should consider factors such as time to implementation and scale of economic or environmental benefits;
- grants must require a one-to-one, nonstate to state match; and
- individual grant awards may not exceed \$500,000.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (Environment, Energy & Technology): PRO: How wonderful to have a bill that does not go along partisan lines. Industrial symbiosis is a simple process that requires advanced planning. It is the intentional colocation of companies such that generation of waste is used and converted to energy and materials for use by another company downstream. Unfortunately, the Governor vetoed the bill last year for fiscal reasons. However, ultimately, this program will save the state millions of dollars.

We are all accustomed to advocates for industry and environment to be at odds, and assume solutions for urban and rural communities differ, but this concept brings industry and environment together, and is applicable in all communities. We have held study tours in Denmark to see industrial symbiosis in action, including with several Washington legislators, and visited working symbiosis in a variety of contexts and scales, including the original, Kalundborg, where a dozen major industrial facilities are connected by resource sharing agreements.

Industrial symbiosis generates \$28 million annually in economic value for the eco park, and also reduces greenhouse gas emissions, and conserves water. Washington has discussed potential pilot projects with a number of communities in Raymond, Pasco, Spokane, Tacoma, and many communities across all parts of the state.

Pasco is home to an aging water use facility that provides reuse of water, including for irrigation. Improvements to the facility will help retain food processors and recruit new processors. The city is seeking funds to establish a value planning process for a new facility and the state could potentially use this model for other communities.

On one of the tours it was remarked that it pains them to see smoke coming out of smoke stacks, which is largely steam, rather than being used. We need stream treatment of organic waste to address the state apply maggot problem, to allow the waste for reuse. We would like to see some social equity components. The bill is scalable to address any fiscal concerns.

Persons Testifying (Environment, Energy & Technology): PRO: Senator Sharon Brown, Prime Sponsor; Rhys Roth, Center for Sustainable Infrastructure; Adam Lincoln, City of Pasco, Deputy City Manager; Heather Trim, Zero Waste Washington.

Persons Signed In To Testify But Not Testifying (Environment, Energy & Technology): No one.

Staff Summary of Public Testimony (Ways & Means): PRO: Industrial symbiosis brings industry and sustainability together and is applicable in a variety of communities. This bill has bipartisan support. Industrial symbiosis has benefits for both the economy and the environment. Great opportunities for communities throughout the state. Pasco's water

reuse facility is at capacity and showing its age, this needs to be upgraded which this grant program could provide.

Persons Testifying (Ways & Means): PRO: Rhys Roth, Center for Sustainable Infrastructure; Adam Lincoln, City of Pasco, Deputy City Manager.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.

EFFECT OF HOUSE AMENDMENT(S):

- Requires that guidance and best practices for emerging local industrial resource hubs include a consideration of steps to avoid creating or worsening negative impacts to overburdened communities as identified by tools such as the Department of Health's Environmental Health Disparities Map.
- Adds health disparities metrics to the metrics that the Department of Commerce must develop to measure the results of industrial or commercial hubs.
- Provides that project grant allocation should avoid creating or worsening environmental health disparities and should make use of tools such as the Department of Health's Environmental Health Disparities Map.